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**An Overview of Brown County's 2008 Annual Trending  
July, 2009**

The following steps were taken to conduct the 2008 annual trending in Brown County:

**Step 1: Calculation of New Land Values**

Current land values for both residential and commercial/industrial neighborhoods were reviewed. New land values were established within specific residential neighborhoods to adjust with the current market. No changes were made to commercial/industrial values as sales were extremely limited and no adjustments were warranted.

**Step 2: Calculation of New Residential Factors and Residential Studies**

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential properties at the township level. The study indicated property classes that needed further analysis, which included reassigning parcels to new neighborhoods and/or stratifying neighborhoods. After final analysis was completed on parcels new neighborhood factors were assigned accordingly. Sales from the 2006 and 2007 period plus information taken from the 2006 appeals were used to determine market adjustment factors. Sales from this period were not time adjusted. Overall, the majority of the residential properties remained unchanged, however slight increases were the result in those neighborhoods that continue to show high sales activity and demand. This was predominate in the Cordry/Sweetwater Lake area, where housing values continue to increase. Within this area, it was discovered that a few parcels were assigned to the wrong neighborhood and moved accordingly.

**Step 3: Updated Commercial & Industrial Improvement Values**

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2006 to 2007. The Nexus Group Construction Cost Index (NCCI<sup>sm</sup>) was used to update these cost tables. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics. Due to the lack of improved commercial sales and the sheer number of improved commercial properties within the county, townships were

combined for statistical analysis. Only the Township of Washington has a significant amount of commercial properties. The townships of Hamblen and Van Buren have less than 25 parcels assigned to this classification. Statistical analysis from the improved commercial study was reported for improved industrial classification as there were zero improved industrial sales. County wide there is only 8 parcels assigned to this classification.

#### **Step 4: Analysis of Residential Sold Properties versus Unsold Properties**

An analysis study was completed for improved residential properties to determine if sold properties changed at the same level as unsold properties. This data was reviewed at the township level and at a neighborhood level where necessary. Properties in Brown County can have many unique qualities as topography of land, private ponds/lakes and country setting views play a major influence on the market. Sweetwater Lake property continues to be the highest marketed area within the county and continues to experience the highest percentage growth. Overall residential sales activity remains better than average.

#### **Step 5: Use of Sales information**

Brown County is committed to utilizing as many valid sales as possible. As you will see in the ratio study, several multiple parcels sales have been used. Brown County consists of many large tract parcels, often resulting in multiple parcel sales. When possible these sales were used, however many times the additional parcels reflected agricultural land and therefore excluded from the study. Additional steps are being taken today in the county assessor's, ensuring that only those sales that are truly arms length, non agricultural use are being marked valid. Unfortunately, prior to the steps taken today, often parcels were mistakenly marked valid, when in theory that should have been marked invalid as they were not useable for the study.